



OVER \$1 BILLION AWARDED TO SMALL, MINORITY AND  
WOMEN-OWNED BUSINESSES DURING THE PARKER ADMINISTRATION



# **OFFICE OF BUSINESS OPPORTUNITY**

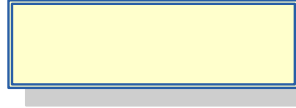
FY 2016 Budget Presentation

June 2, 2015





# Organizational Structure





# Department FY 2015 Accomplishments



## **MINORITY, WOMEN, SMALL, AND DISADVANTAGED BUSINESS ENTERPRISE CERTIFICATIONS**

- 242 companies were certified as Minority, Women, Small, and Disadvantaged Business Enterprises - bringing the total number of companies certified to 2,600.

## **HIRE HOUSTON FIRST DESIGNATIONS**

- 356 companies were designated as Hire Houston First Firms - bringing the total number of companies designated as Local or City Businesses to 1,810.

## **OUTREACH TO PROMOTE CITY SERVICES**

- OBO staff attended more than 140 events in the Houston-Metro area to promote certification and other OBO services.
- Conducted the 6<sup>th</sup> Annual Meet the Buyer Purchasing Forum with 300 participants in attendance.

## **DEPARTMENT SERVICES**

- Facilitated nine (9) trainings (Road Shows) for City Departments.
- Reviewed 171 requests for waivers from City Departments.
- Assisted departments with setting 11 contract-specific goals.
- Evaluated a total of 24 Good Faith Efforts and Participation Plans.
- Conducted four (4) Procurement Training Institute Classes for 300 attendees.





# Department FY 2015 Accomplishments (Cont'd)



## **CONTRACT COMPLIANCE**

- Actively monitoring 351 Construction contracts and 995 Professional Services and Goods & Services contracts.
- Conducted 657 site visits to Construction projects.
- Performed 297 Commercially Useful Function Audits.
- Reviewed 25,813 Certified Payrolls on Construction.

## **PAY OR PLAY PROGRAM (FUND 2424)**

- Fiscal year to date deposits for Pay Contracts is \$803,993.75 with an additional \$12,725.55 in interest accrued.
- With the support of PWE, OBO adopted a Citywide technology called the Pay or Play Management System (POPMS), which allows all departments to manage the contracts electronically. Additionally, contractors and subcontractors will be able to report payments and submit all documents using the system. The impact will create efficiency citywide reducing reporting requirements.
- As of April 2015, the City has implemented a more efficient mechanism for contractors that allows them to directly deposit the money they pay into the Contractors Responsibility Fund instead of relying on paper checks.



# Department FY 2015 Accomplishments (Cont'd)



## LIFTOFF HOUSTON!

In the first half of FY 2015, \$30,000 was awarded to three participants in the City of Houston's Business Plan Competition. In its second year, LiftOff Houston! held 21 workshops that provided training to 187 individuals. This initiative is funded by Capital One Bank.

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## TWEETMYJOBS HOUSTON!

This mobile platform distributes local jobs and matches qualified job seekers with employers. To date, there are 962 employers posting 71,800 jobs with 37,668 job seekers currently registered on TweetMyJobs Houston!. This initiative was funded by the Houston Housing Finance Corporation. In FY 2016, the Greater Houston Partnership is exploring taking over this initiative for the City.

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## HIRE ME NOW! JOB FAIR

The City's first Hire Me Now Job Fair took place on September 25, 2014. One hundred employers exhibited and over 3,300 job seekers attended. AT&T was the Title Sponsor along with various other private entities.



# Department FY 2015 Accomplishments (Cont'd)



## SMALL BUSINESS LEGAL ACADEMY

### SMALL BUSINESS LEGAL ACADEMY

On February 17, 2015 the Office of Business Opportunity in partnership Vinson & Elkins, LLP and many other corporate law firms held a one day event with approximately 100 small businesses participating. The Legal Academy featured several workshops on the most common legal issues that small businesses face, as well as one-on-one sessions. In FY 2016, OBO will coordinate regular one-on-one skype sessions for businesses and attorneys to address legal issues.

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### BUILD UP HOUSTON

In December 2014, OBO and the University of Houston Downtown College launched a seven month program designed to increase the capacity and success of small businesses in the Construction industry. In its first year there were 10 certified firms participating in the program.



# Department FY 2015 Accomplishments (Cont'd)



## Capacity Building Programs



### KAUFFMAN FASTTRAC NEW VENTURE PROGRAM

In March 2015, OBO in partnership with the Women's Business Enterprise Alliance and the Houston Technology Center, launched a 10 week program specifically designed for entrepreneurs in the early stages of business development. The first cohort consisted of 10 entrepreneurs who successfully completed business plans. In May 2015, each entrepreneur presented their plan to judges, two of those businesses received funding from the Bayou Fund, a Micro Financier.



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### INTERAGENCY MENTOR PROTÉGÉ PROGRAM (IMPP)

The City of Houston in partnership with the Port of Houston, METRO and HISD, launched its second year of the Interagency Mentor Protégé Program. In May 2015, 20 certified firms are committed to attending 8 workshops and receive mentoring for 12 months from a prime level contractor.





# Budget Summary - All Funds (in millions)



Fund	Revenue FY15 Budget	Revenue FY16 Proposed	+/- \$/%	Expenditure FY15 Budget	Expenditure FY16 Proposed	+/- \$/%	Fund Balance FY15 Budget <sup>1</sup>	Fund Balance FY16 Prop. <sup>1</sup>
<b>General Fund 1000</b>	\$109T	\$122T	+\$13T 12%	\$2.89M	\$2.9M	+\$37T 1.3%	\$2.78M	\$2.8M
<b>Special Fund 2424</b>	\$422T	\$574T	+\$152T 36%	\$1.35M	\$1M	-\$274T 25%	\$931T	\$503T
<b>Total</b>	<b>\$531T</b>	<b>\$696T</b>	<b>\$165T</b>	<b>\$4.2M</b>	<b>\$3.9M</b>	<b>-\$237T</b>	<b>\$3.7M</b>	<b>\$3.3M</b>

1. Beginning fund balances displayed. Beginning fund balance for FY 15 is ending FY 14 fund balance as reported in FY 14 CAFR. FY 16 Beginning fund balance is from FY1 5 estimate,. Final figure will be reported when FY 15 CAFR is complete d in November, 2015.



# FY 2016 Department Initiatives



## DISPARITY STUDY



The Office of Business Opportunity in collaboration with the Legal Department, will hire a consultant to conduct a Citywide Disparity Study covering five years of City procurement. The study will evaluate the extent of marketplace discrimination, if any, against minority-owned, women-owned, disadvantaged businesses, and persons with disabilities business enterprises regarding their participation on City construction and professional services contracts as well as procurement of goods and services.



# Total Revenues By Fund (in millions)



Fund Name/ Number	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Budget	+/- \$/% FY16 Bud./FY15 Est.
General Fund 1000	\$109T	\$109T	\$115T	\$122T	\$+7.7T 6.74%
Special Fund 2424	\$390T	\$422T	\$555T	\$574T	\$+19.5T 3.53%
Total	\$499T	\$531T	\$670T	\$696T	\$27T



# FY 2016 Revenue Highlights



## General Fund Budget

Revenue Description	FY 2015 Current Projection	FY 2016 Budget	Variance	Remarks
PWE FTE	\$83,842	\$86,705	\$2,863	The FTE funding increased due to personnel, pension, and benefits costs.
Miscellaneous Copies Fees	\$1,300	\$200	(\$1,100)	Variance is due to a large unexpected FY15 Open Records Request.
Prevailing Wages	\$30,000	\$35,000	\$5,000	The increase is anticipated due to additional staff resources dedicated to reviewing Prevailing Wages issues.
<b>Total</b>	<b>\$115,142</b>	<b>\$121,905</b>	<b>\$6,763</b>	

## Pay or Play Fund Budget

Revenue Description	FY 2015 Current Projection	FY 2016 Budget	Variance	Remarks
Interest - Pooled Investments	\$21,876	\$13,500	(\$8,376)	The anticipated decrease in FY16 interest rate is based on current monthly interest collected. The anticipated increase in FY16 POP revenue is projected higher than last year due to an anticipated increase in funds related to a higher volume of open contracts that falls under the administration of the Pay or Play Program.
Pay or Play Revenue (POP)	\$532,823	\$560,782	\$27,959	
<b>Total</b>	<b>\$554,699</b>	<b>\$574,282</b>	<b>\$19,583</b>	



# Total Expenditures by Fund

Fund	Expenditure FY14 Actual	Expenditure FY15 Budget	Expenditure FY15 Estimate	Expenditure FY16 Proposed	+/- \$/% FY15 vs FY16 <sup>2</sup>	FTEs FY15 Budget	FTEs FY16 Prop.
<b>General Fund 1000</b>	\$2.5M	\$2.89M	\$2.89M	\$2.9M	+\$37T 1.3%	30.0	30.0
<b>Spec. Fund 2424</b>	\$1.4M	\$1.35M	\$1.35M	\$ 1M	-\$274T 25%	2.0	2.0
<b>Total</b>	<b>\$3.9M</b>	<b>\$4.2M</b>	<b>\$4.2M</b>	<b>\$3.9M</b>	<b>-\$237T</b>	<b>32</b>	<b>32</b>

2. FY 15 Budget vs. FY 16 Proposed Budget Expenditures





# FY 2016 Expenditure Highlights



## General Fund Budget

Expenditure Description	FY 2015 Current Estimate	FY 2016 Budget	Variance	Remarks
Personnel	\$2,514,291	\$2,567,098	\$52,807	Variance due to filling of vacant positions along with the cost of benefits associated with those positions.
Supplies	\$26,403	\$26,059	(\$344)	Slight decrease due to less supplies needed in FY16.
Services	\$354,237	\$338,744	(\$15,493)	Decrease due to leveraging advertising & marketing efforts from FY15. \$338,744 is the overall total for service dollars. There is \$79K in costs for program services which includes Language Access. Other large expenses included are training, printing, parking, and office equipment. \$140K is from restricted accounts.
Non-Capital Equipment	\$0	\$0	\$0	
<b>Total</b>	<b>\$2,894,931</b>	<b>\$2,931,901</b>	<b>\$36,970</b>	

## Pay or Play Fund Budget

Expenditure Description	FY 2015 Current Estimate	FY 2016 Budget	Variance	Remarks
Personnel Expenses	\$122,508	\$129,276	\$6,768	Increase due to pension, health care, and benefits costs.
Services	\$4,852	\$2,416	(\$2,436)	\$2,416 is the actual total for services. \$6,019 is from restricted accounts.
Care Houston	\$400,000	\$400,000	\$0	There are no changes from FY15 to FY16.
Harris County 3 Share	\$251,942	\$149,100	(\$102,842)	Decrease in anticipation of effects of Affordable Care Act.
Alternative Transportation Program	\$573,275	\$391,375	(\$181,900)	Decrease due to a more defined budget that reflects changes in scope of services provided.
<b>Total</b>	<b>\$1,352,577</b>	<b>\$1,072,167</b>	<b>(\$280,410)</b>	



# FY 16 Performance Measures General Fund



Business Process Measures	Priorities	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Budget
Certification Processing Timeframe (days)	J	31	30	25	30
MWSBE Contract Participation % - Construction	J	24%	34%	34%	34%
MWSBE Contract Participation % - Professional Services	J	36%	24%	24%	24%
MWSBE Contract Participation % - Purchasing	J	19%	11%	11%	11%
Total Certified Firms	J	2,348	2,628	2,620	2,900
Total Hire Houston First Designations	J	1,432	1,800	1,825	2,225
Expenditures Budget vs Actual Utilization	F	97%	98%	100%	98%
Revenues Budget vs Actual Utilization	F	65%	100%	106%	100%
Mayor's Five Priorities: Jobs and Sustainable Development (J); Fiscal Responsibility (F); Public Safety (P); Quality of Life (Q); Infrastructure (I)					



# FY 16 Performance Measures

## Fund 2424



Business Process Measures	Priorities	FY14 Actual	FY15 Budget	FY15 Estimate	FY16 Budget
Ratio of Play Option Contracts	J	65%	40%	57%	60%
Expenditures Budget vs Actual Utilization	F	108%	98%	100%	98%
Revenues Budget vs Actual Utilization	F	83%	100%	131%	100%
Mayor's Five Priorities: Jobs and Sustainable Development (J); Fiscal Responsibility (F); Public Safety (P); Quality of Life (Q); Infrastructure (I)					

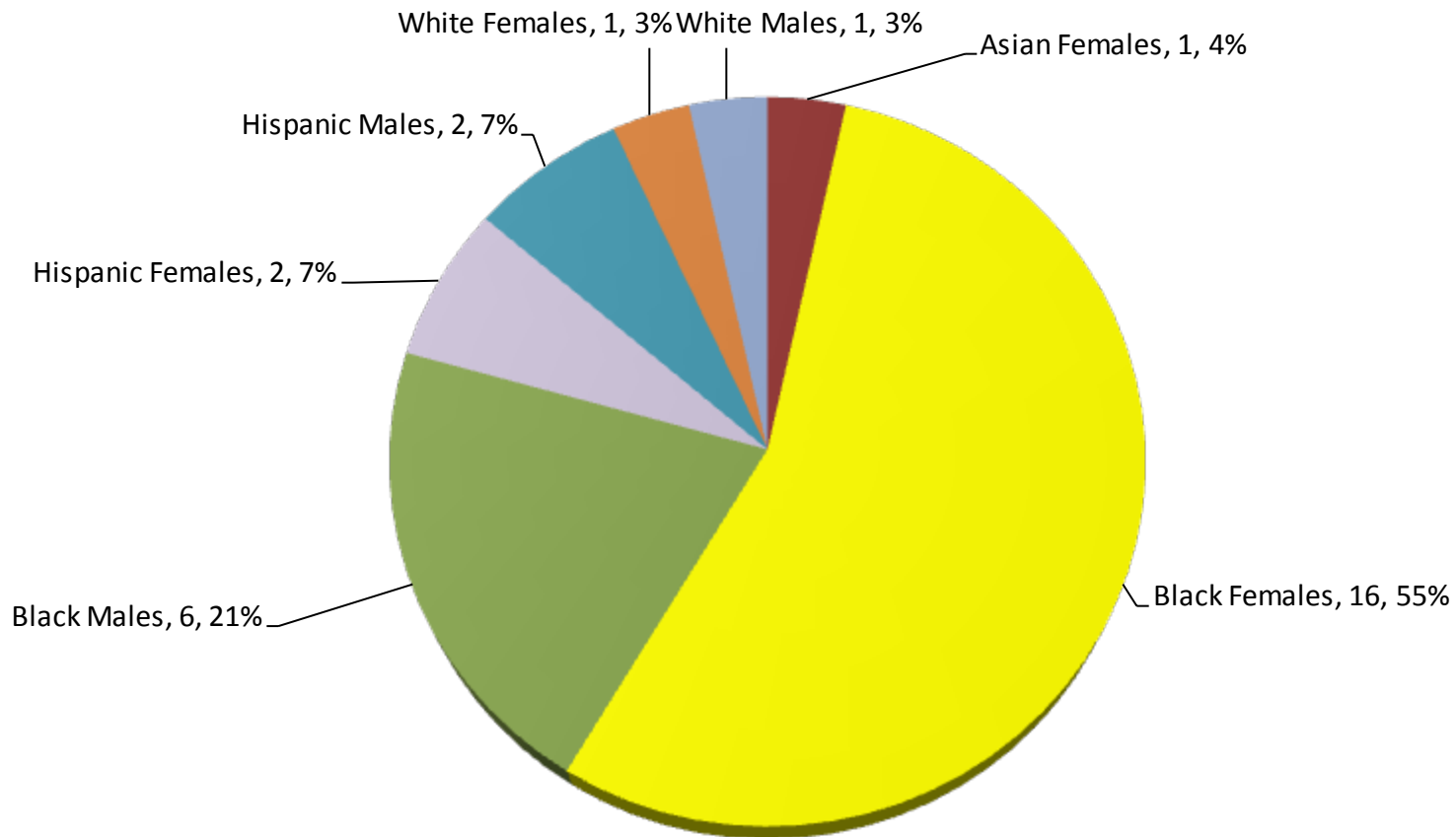


# Appendix

- Department Demographic Breakdown (Gender & Ethnicity)



# OBO Staff Demographic Breakdown







# Office of Business Opportunity



# THANK YOU